

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Industries & Commerce (IP) Department – Reimbursement an amount of **Rs.22,32,46,264/-** (Rupees Twenty two crores, thirty two lakhs, forty six thousand, two hundred and sixty four only) towards CST payable by M/s. Kirby Building Systems India Limited, Pasharmylaram, Medak District for the period from 01.01.2007 to 31.03.2008 by way of book adjustment (without cash flow) – administrative sanction – Orders - Issued.

INDUSTRIES & COMMERCE (IP) DEPARTMENT

G.O.Rt.No. 878

Dated:29.11.2008

Read the following:-

1. G.O.MS.No.586, Revenue (CT.II) Department, Dated.31-08-2001
2. G.O.MS.No.587, Revenue (CT.II) Department, Dated.31-08-2001
3. From the Vice President, Kirby Building Systems India Limited, Representation, Dt.12-3-2003.
4. From the Commissioner of Industries, D.O.Lr.No.15-4-3-2323-2323-(SIPC), Dated.31-01-2004
5. From the Commissioner of Commercial Tax, Ref No. AII (2)/954/2003, Dated.10-08-2007
6. G.O.Rt.No.3230, Finance (Exp. I&C) Department, Dated.25-08-2007
7. G.O.Rt.No.556 Industries & Commerce [IP] Department, Dated: 31.08.2007.
8. From the Commissioner of Commercial Taxes, D.O.Lr.No. AII(2)/954/2003, dated.18.06.2008.
9. From the Commissioner of Industries, Andhra Pradesh, Hyderabad Lr.No.20/2/2000/1290/1290/ID, dated.01.08.2008.
10. Remarks of Revenue Department, dated.23.08.2008 in C.No.4315/IP/A2/2008 of Industries & Commerce Department.
11. G.O.Rt.No. 4600, Finance (Exp.I&C) Department, Dated.28.11.2008.

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ORDER:

Government have sanctioned an amount of Rs.9382.00 Lakhs (Rupees Ninety Three Crores and Eighty Two lakhs Only) towards adjustment of 11% CST from 2001-02 to 2006-07 to M/s. Kirby Building Systems India Limited Pasharmylaram, Medak District and adjusted to the receipt head of "0040 Taxes on Sales, Trades, etc. – M.H. 101 Receipts under Central Sales Tax Act – SH(01) – Tax Collection" by book adjustment treating the same as reimbursement from the Industries & Commerce Department to M/s. Kirby Building Systems India Limited, Pasharmylaram, Medak District as per the recommendation of State Investment Promotion Committee (SIPC) dated.12.01.2004 and 06.01.2005 vide Government Order 7th read above.

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2. The Commissioner of Commercial Taxes, Andhra Pradesh, Hyderabad has stated that the Deputy Commissioner(CT), Charminar Division has reported that the amount of grant claimed by M/s Kirby Buildings Systems Limited, Pasharmylaram, Medak District for the period from 01.01.2007 to 31.03.2007 is Rs.4,81,23,769/- and the amount for the period from 01.04.2007 to 31.03.2008 is Rs.24,00,77,149/- Thus the total amount of grant to be reimbursed from 01.01.2007 to 31.03.2008 (15) months by Industries & Commerce Department is Rs.28,82,00,918/-. The Commissioner Commercial Taxes, Andhra Pradesh, Hyderabad has requested the Government to release the said amount by way of Book adjustment vide reference 8th read above.

3. The Commissioner of Industries, Andhra Pradesh, Hyderabad has reported in the matter that the unit has shown much lower sales within the State as compared to sales under CST, as the CST rate is only 1% while local sales applicable rate being 4%. The following details of year-wise APGST and CST availed by the unit has been furnished by the Commissioner Commercial Taxes, Andhra Pradesh, Hyderabad.

Year	APGST 4%	CST 1%	TOTAL	11% Grant adjustment
1999-2000	0	42663	42663	0
2000-01	1680874	4309132	5990006	0
2001-02	3849430	6582563	10431993	72408197
2002-03	4317442	8265248	12582690	77224777
2003-04	6454136	10006140	16460276	92113138
2004-05	5589777	17403046	22992823	190928340
2005-06 (provis.)	18028402	34552730	52581132	253386866
2006-07 (prov.)	13228815	41961266	55190081	307715994
2007-08 (prov.)	32367463	32737786	65105249	240077149

Total Rs. 123,38,54,461/-
Sanctioned vide G.Ort.No.556, Rs. 93,82,00,000/-
Industries & Commerce Dept. dt.31.8.07

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Balance amount Rs. 29,56,54,461/-
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4. Further, the Commissioner of Industries, Andhra Pradesh, Hyderabad has reported that the total amount of adjustment from the period 2001 to 2007-08 is Rs.1,23,38,54,461/- of which adjustment has already been made Rs.93.82 crores vide Government Order 7th read above leaving a balance of Rs.29,56,54,461/-. But the captioned unit has been granted benefit from the

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year 2001-02 onwards instead of 2002-03 onwards since the Finance Act has come into effect only from 23.05.2002. The State Investment Promotion Committee decision covers period after 23-05-2002. Therefore the Commissioner Commercial Taxes claim for 2001-02 cannot be agreed for book adjustment. The amount for the year 2001-02 of Rs.7,24,08,197/- (Rupees Seven crores, twenty four lakhs, eight thousand, one hundred and ninety seven only) has to be deleted from the book adjustment, leaving a balance to Rs.22,32,46,264/- (Rs. 29,56,54,461 - Rs.7,24,08,197) for book adjustment.

5. The Commissioner of Industries, Andhra Pradesh, Hyderabad has requested the Government to issue orders on the book adjustment Rs.22,32,46,264/- (Rupees Twenty two crores, thirty two lakhs, forty six thousand, two hundred and sixty four only) for the claim of reimbursement towards Central Sales Tax payable by M/s. Kirby Building Systems India Limited Pasharmylaram, Medak District upto 31/03/2008, duly excluding the claim of 2001-02. The Revenue (CT) Department has stated in the matter that the adjustment of **Rs.22,32,46,264/-** for the claim of reimbursement towards CST payable by M/s Kirby Building Systems India Limited, upto 31.03.2008 excluding the claim for 2001-02 is admissible and agreed to subject to reconciliation at a later date and requested to make the book adjustment of **Rs.22,32,46,264/-** immediately.

6. Government after careful examination in the matter hereby accord administrative sanction an amount of **Rs.22,32,46,264/-** (Rupees Twenty two crores, thirty two lakhs, forty six thousand, two hundred and sixty four only) for the claim of reimbursement towards CST payable by M/s Kirby Building Systems India Limited, Pasharmylaram, Medak District upto 31.03.2008 excluding an amount of Rs.7,24,08,197/- (Rupees Seven crores, twenty four lakhs, eight thousand, one hundred and ninety seven only) for the year 2001-2002 by way of book adjustment treating an amount of Rs.22,32,46,264/- (Rupees Twenty two crores, thirty two lakhs, forty six thousand, two hundred and sixty four only) as reimbursement by the Industries & Commerce Department to the above company and does not involve any cash flow. The above amount shall be adjusted to the receipts Head of Account i.e. "MH 0040 Taxes on Sales, Trade etc., - MH 101 – Receipts under CST Act – SH (01) Tax Collections'. This benefit of 11% reimbursement CST payable by M/s Kirby Building Systems India Limited, Pasharmylaram, Medak District is available only till 28.12.2008 or till the expiry of the amount of Rs.37,42,21,740/- as mentioned in Final Eligibility Certificate, whichever is earlier.

7. The expenditure sanctioned in para (6) above shall be debited to the head of account "MH 2852- Industries –80 General –MH 800- other Expenditure – SH (06) Reimbursement of CST to M/s Kirby Building Systems India Pvt., Ltd.- 330 Subsidies (to be opened) and corresponding credit shall be taken under "0040- Taxes on Sales, Trades etc.-MH.101-Receipts under Central Sales Tax Act-SH (01)- Tax collections" .

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8. The Commissioner of Industries, Andhra Pradesh, Hyderabad shall take necessary action for preferring an adjustment bill with Pay and Accounts Officer, Andhra Pradesh, Hyderabad for carrying out above adjustment. He is also requested to obtain supplementary grant to cover the actual additional expenditure incurred in relaxation of treasury control orders during 2008-09.

9. The Commissioner of Commercial Taxes, Andhra Pradesh Hyderabad is hereby directed to examine thoroughly the Inter-Sales transaction made by the M/s Kirby Building Systems India Limited, duly verifying the invoices/way bills.

10. This order issues in accordance with the Budget Release Order issued by Finance (Exp.I&C) Department in the Government Order (11) read above.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**B. SAM BOB,
PRINCIPAL SECRETARY TO GOVERNMENT AND
COMMISSIONER FOR INDUSTRIAL PROMOTION**

To

The Commissioner of Industries, Andhra Pradesh, Hyderabad
The Commissioner of Commercial Taxes, Andhra Pradesh, Hyderabad
M/s Kirby Building Systems India Limited, Corporate Office & Works,
Plot No.8 to 15, IDA Phase -III, Pashamylaram, 502 307, Medak District
through the Commissioner of Industries, A.P., Hyderabad.

Copy to

Revenue (CT) Department

Finance (Exp. I&C) Department

The Accountant General, Andhra Pradesh, Hyderabad.

The Pay & Accounts Officer, Hyderabad.

P.S. to Special Secretary to C.M.

P.S. to Minister (Major Industries)

P.S. to Principal Secretary & CIP, Ind. & Com. Dept.

SF/SC

//Forwarded :: By order//

Section Officer